

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

GERALD GOODLETT AND)	
BETTY GOODLETT,)	
)	
COMPLAINANTS)	
vs.)	CASE NO. 9270
)	
SALT RIVER RURAL ELECTRIC)	
COOPERATIVE CORPORATION)	
DEFENDANT)	

O R D E R

On October 29, 1984, the Judge of Mercer Circuit Court entered an Order in its Case No. 84-CI-143 transferring an original complaint by Gerald and Betty Goodlett against Salt River Rural Electric Cooperative Corporation ("Salt River") and the Kentucky Public Service Commission ("Commission") to the Commission. The complaint was originally filed in Mercer Circuit Court on July 26, 1984. The Court, in transferring the case to the Commission, did not rule on the merits of the complaint. Instead, the Court ruled that pursuant to KRS 278.260 (1) the Commission should have original jurisdiction to hear the merits of this complaint. A copy of the complaint and Order from the Mercer Circuit Court is attached as Appendix A to this Order.

The Commission, on its own motion pursuant to KRS 278.260, ORDERS that this case be instituted to investigate the complaint of Gerald and Betty Goodlett vs. Salt River.

IT IS FURTHER ORDERED that Salt River shall file its Response to the attached complaint within 10 days of the date of this Order.

Done at Frankfort, Kentucky, this 12th day of February, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Hemmings
Chairman

R. D. L.
Vice Chairman

L. A. Shull
Commissioner

ATTEST:

Secretary

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9270 DATED February 12, 1985.

RECEIVED

OCT 31 1984

PSC
GENERAL COUNSEL

COMMONWEALTH OF KENTUCKY
50TH JUDICIAL CIRCUIT
MERCER CIRCUIT COURT

Pursuant to (Cr) ~~44-500~~ the clerk of the Court hereby certify that I have a true and correct copy of the foregoing on all parties to the case.

29th October 84

Stephen M. Sheemaker

GERALD GOODLETT AND
BETTY GOODLETT,

PLAINTIFFS,

VS.

O R D E R

SALT RIVER RECC AND
PUBLIC SERVICE COMMISSION
OF KENTUCKY,

DEFENDANTS.

This cause is before the court on defendants' motion to dismiss for lack of jurisdiction pursuant to KRS 278.260 and for improper venue. The parties have filed their legal memoranda, and the court being well and sufficiently advised, it is hereby ORDERED and ADJUDGED:

1. Pursuant to KRS 278.260(1) the Public Service Commission has original jurisdiction of all complaints concerning service of any utility. This case shall be transferred to the Public Service Commission as of the date of this Order.

2. As this case is transferred to the Public Service Commission, the court will not address the issue of improper

ENTERED

MERCER CIRCUIT COURT

OCT 29 1984

Given under my hand this _____ day of October, 1984.

H. H. CASH, JR., CLERK
Stephen M. Sheemaker

STEPHEN M. SHEEMAKER
CIRCUIT JUDGE

COMMONWEALTH OF KENTUCKY
50TH JUDICIAL CIRCUIT
MERCER CIRCUIT COURT

GERALD GOODLETT and
BETTY GOODLETT, his wife,

VS.

COMPLAINT

SALT RIVER RURAL ELECTRIC
COOPERATIVE CORPORATION

FILED: 1 SUMMONS
AND 1 COPIES TO CLERK
JUL 28 1984
AM: R. H. GASH, JR.
BY B. R. GASH
MERCER CIRCUIT CLERK
PLAINTIFFS

NO. FY-CI-142

DEFENDANT

Come the plaintiffs, Gerald Goodlett and Betty Goodlett,
his wife, and for their claim for relief state:

1. Plaintiffs are the owners of 65 acres of land with house and other improvements located thereon in Washington County, Kentucky, previously supplied electric power by the defendant, Salt River Rural Electric Cooperative Corporation.

2. Circa 1967, defendant, Salt River Rural Electric Cooperative Corporation ceased to supply electric power to the property now owned by plaintiffs, then owned by one J. L. Lambert who did not occupy the property and whereupon defendant took out its power lines, poles, transformers and other equipment upon the property, and said Lambert deeded the property to Jesse Arnold and wife who in turn deeded same to plaintiffs who intend to so occupy the property and/or rent out the same to tenants who will live upon said property and who need the benefits of electric power.

3. On June 22, 1984, plaintiffs went to defendant's headquarters building in Bardstown, Kentucky and was referred to one J. Turner regarding restoration of electric power on the property at minimum cost to plaintiffs, and

were advised and assured by said J. Turner, employee and agent of defendant, after consulting various maps, papers, documents and other records of defendant that defendant would have to restore electric power at defendant's sole expense and that the only expense to plaintiffs would be deposit, membership fee and meter base. In reasonable reliance upon the statements, representations and assurances of J. Turner of said defendant, Salt River Rural Electric Cooperative Corporation, the plaintiffs were thereupon induced to pay \$100.00 deposit with defendant, evidenced by Certificate of Deposit attached hereto as Exhibit "A", \$25.00 membership fee in defendant, evidenced by Receipt attached hereto as Exhibit "B" and \$20.85 for a meter base purchased shortly thereafter on June 29, 1984, attached and marked Exhibit "C"; further inducing plaintiffs to expend time, effort and additional funds, including loss of work from their usual employment to carry out plaintiffs' side of the contract regarding restoration of electric power to the premises at no other expense to plaintiffs than as stated above, and to sign various additional documents in the custody, possession and control of defendant to carry out said contract.

4. On said June 29, 1984, after purchase of the meter base and other out-of-pocket expenditures pursuant to contract with defendant by and through said J. Turner, defendant's employee agent with express authority or implied, apparent or ostensible authority to bind said defendant to the contract, the plaintiffs were telephoned by the engineer of defendant who after visiting the plaintiffs' premises to be restored power stated that he would not restore power because of cost involved to defendant

and that plaintiffs should see the defendant's manager.

5. The plaintiffs again travelled to Bardstown, Kentucky and on or about July 3, 1984 were directed to Ken Hazlewood, defendant's manager, and who stated to plaintiffs that there were various options, including plaintiffs to obtain easement from adjoining neighbor for defendant to run at its expense 1,000 feet of line to meter base on that property, and from that point across plaintiffs' property another 1,000 feet to meter base there, leaving approximately 900 feet to be paid for by defendant through use of "drops" but which option offer defendant thereafter retracted and defendant's manager now insists there is no contract as claimed by plaintiffs and that defendant will run the initial footage but leaving 1900 feet to be paid for by plaintiffs at their cost of \$5,200.00.

6. The statements, representations and conduct of defendant's engineer and manager, being contrary to agreement of the parties duly entered into, constitutes a breach of contract, as defendant fails and refuses to perform said agreement that there would be no additional cost to plaintiffs other than deposit, membership fee and meter base, all of which has been purchased and paid for by plaintiffs, and which plaintiffs have fully and completely performed their side of the contract.

7. The defendant by and through its employee agent J. Turner with express or implied, apparent or ostensible authority has waived any right to expect any additional money from plaintiff and defendant is otherwise estopped to deny the contract, agreement of plaintiffs with J. Turner acting in behalf of said defendant.

8. Further, and in the alternative, the plaintiffs have suffered actual, ascertainable losses by reason of the false, misleading and deceptive acts and practices of defendant by and through its authorized agents having such express or implied, apparent or ostensible authority, for which plaintiffs are entitled to recover damages and other equitable relief, including specific performance of aforesaid contract, together with reasonable attorney fees incurred by plaintiffs herein, as made and provided by KRS 367.220 regarding the purchase of consumer goods and services and losses sustained from acts and methods declared unlawful by KRS 367.170 and other applicable law. At the time of negotiations leading up to the contract, at the time of inducement into and execution of the contract, and at the present time and hereafter plaintiffs' intentions were and still are to occupy a house located on their said land or to rent the same out to a tenant who will so occupy the same, and purchase of electric power from defendant was primarily for personal, family and household purposes. Further, within said Consumer Protection Act of Kentucky, although the seller is a Kentucky corporation with its principal place of business in Nelson County, Kentucky, and doing business in Washington County where plaintiffs' land is located and doing business in a number of other Counties such that the within civil action and claim for relief could have been brought in such other Counties or where the transaction primarily occurred, the plaintiffs as made and provided by said Act elect to bring this action in the County of their residence, this Mercer Circuit Court.

9. Plaintiffs claim \$20,000.00 damages as reasonable cost of alternative source of power in event defendant continues to refuse to perform the contract.

10. The defendant, by and through its agents with express or implied, apparent or ostensible authority, has acted in bad faith regarding the contract for restoration of electric power and has intentionally breached the same, and further acted in bad faith regarding the sale and purchase of electric power goods and/or services under Kentucky's Consumer Protection Act, as a consequence of which plaintiffs have suffered mental anguish and distress to their damage in sum of \$5,000.00, and plaintiffs should further recover punitive damages in sum of \$10,000.00.

11. Plaintiffs further claim additional actual losses of \$200.00 out-of-pocket expenses incurred in attempting to preserve said contract, and reasonable attorney's fee of \$500.00. Without waiver of any claim heretofore made, in event the contract is set aside, then plaintiffs should recover \$145.85 deposit, membership fee and cost of meter base, and said \$200.00

12. As provided by KRS 367.220, the Clerk of this Court is directed to mail copy hereof to Attorney General of Kentucky, and hereafter mail copy of order or judgment to said Attorney General.

WHEREFORE, plaintiffs, Gerald Goodlett and Betty Goodlett his wife pray for judgment against defendant, Salt River Rural Electric Cooperative Corporation for specific performance of contract to restore power to plaintiffs' property at no additional cost to plaintiffs and to recover expenses incurred of \$200.00 plus attorney's fee of \$500.00; in event defendant refuses to perform, then to recover damages of \$20,000.00 for alternative power source; in any event \$5,000.00 damages for mental anguish and \$10,000.00 punitive damages is demanded; and only in the alternative for restitution and damages sum of \$145.85; and for all other relief. including trial by jury

This July 26, 1984.

DEAN, DEAN & DEAN
Attorneys at Law
202 South Chiles Street
Harrodsburg, Kentucky 40330
Phone: (606) 734-3366

Lee M. Dean
Attorney for Plaintiff

State of Kentucky

County of Mercer, Sct.

Comes Gerald Goodlett, who after first being duly sworn states under oath that he is one of the plaintiffs herein, and that the statements contained herein are true.

Gerald W. Goodlett
Gerald Goodlett

Subscribed and sworn to before me by Gerald Goodlett, on this July 26, 1984 at Harrodsburg, Kentucky.

Lois C. Dean
Notary Public, State at Large, Kentucky

My Commission Expires: 1-17-1985

SALT RIVER RURAL ELECTRIC
COOPERATIVE CORPORATION
111 W. BRASHEAR AVENUE BARDSTOWN, KENTUCKY 40004

CERTIFICATE OF DEPOSIT
(Not Transferable)

This certifies that

June 22, 1984
DATE OF ISSUE

Gerard & Betty Garrett
NAME

362 Carmichael St. Harrodsburg
MAILING ADDRESS

(W)
LOCATION

ACCOUNT NUMBER

has deposited One Hundred dollars and 00 cents \$

with Salt River RECC. This deposit is held subject to the rates, rules and regulations of Salt River RECC as collateral security for the payment of any and all charges for electrical service.

Interest shall be earned at the rate of 6% per annum. Refund of deposits and interest earned shall also be made in accordance with the rules and regulations of the Cooperative. This deposit is not made for the purpose of, nor shall it be used, for the payment of current bills from time to time. Upon discontinuance of depositor's electrical service for any cause, Salt River shall have the right to apply said deposit with accrued interest due thereon to the payment of any sum due by depositor with the balance of said deposit and accrued interest due, if any, to be returned to the depositor.

FILED IN CLERK'S OFFICE

JUL 20 1984

AT: R. H. GASH, JR.
BY: [Signature]

EX 77

Received of Gerace & Betty Gerace June 22, 1954
Twenty-five & 100 Dollars
Membership fee
(u)

FILED IN CLERK'S OFFICE

No 58558

SALT RIVER RURAL ELECTRIC CO-OP

BY

Durbin

ATT.: R. H. GASH, JR.
 MEMBER CLERK

BY

[Signature]

EX 13

3

